



Wage Standards Division

ALTERNATIVE METHODS OF WAGE PAYMENTS AND ISSUANCE OF PAY STATEMENTS

Section 388-2(a), Hawaii Revised Statutes (HRS), of the Payment of Wages and Other Compensation Law, requires every employer to pay all wages at least twice during each calendar month, on regular paydays designated in advance by the employer, “in lawful money of the United States or with checks convertible into cash on demand at full face value thereof;...”

Chapter 388, HRS, does not specifically address the payment of wages by direct deposit, pay cards or debit cards. Sections 388-2(a) and 388-7(4), HRS, and Section 12-21-5, Hawaii Administrative Rules (HAR), include specific requirements for the payment of wages to employees in Hawaii.

[DIRECT DEPOSIT](#)

[PAY OR DEBIT CARD](#)

[ELECTRONIC PAY STATEMENTS](#)

WAGE PAYMENT BY DIRECT DEPOSIT:

The Department of Labor and Industrial Relations (DLIR) will allow the payment of wages by direct deposit plans provided the following requirements are met:

1. The practice is voluntary on the employee’s part and is in writing;
2. The employee is specifically notified in writing that he/she is allowed to cancel the direct deposit arrangement at any time with reasonable notice;
3. The employee is given written notification of the mechanics of the direct deposit plan including any costs and restrictions;
4. The direct deposit must be made on regular paydays and within seven days after the end of each pay period;
5. The employee is provided a pay statement at each payday which conforms to Sections 387-6(c) and 388-7(4), HRS, and Section 12-21-5, HAR, which shows the name of the employer, name of the employee, total hours worked, overtime hours, straight-time compensation, overtime compensation, other compensation, total gross compensation, amount and purpose of each deduction, total net compensation, date of payment, and pay period covered;
6. Upon receipt of written authorization from the employee, the employer may provide a pay statement that may be electronically accessed by the employee and shall be retained by the employer for a period of at least six years; and
7. The employer makes arrangements to pay wages in full, with a pay statement, to an employee who is discharged, with or without cause, at the time of discharge or no later than the working day following discharge.

To view the law, click here (<http://hawaii.gov/labor/legal>)

WAGE PAYMENT BY PAY OR DEBIT CARDS:

The DLIR will allow the payment of wages by pay cards or debit cards provided the following requirements are met:

1. The practice is voluntary on the employee’s part and is in writing;
2. The employee is specifically notified in writing that he/she is allowed to cancel the pay card/debit card arrangement at any time with reasonable notice;
3. The employee is given written notification of the mechanics of the pay card/debit card plan including any costs and restrictions;

4. The pay card/debit card account must be for the sole and exclusive benefit of the named employee and cannot be subject to the claims of the employer's creditors;
5. The wages deposited into the employee's pay card/debit card account is made on regular paydays and within seven days after the end of each pay period;
6. The employee is given the opportunity to withdraw or transfer his/her wages to a personal bank account in full, without a fee, each pay period;
7. If wages are not withdrawn or transferred in full, the employee agrees in writing to pay any fees associated with the use of the pay card/debit card subsequent to the first free withdrawal or transfer each pay period; provided that those fees do not reduce the employee's wage below the statutory minimum wage;
8. The employee is provided a pay statement each payday which conforms to Sections 387-6(c) and 388-7(4), HRS, and Section 12-21-5, HAR, which shows the name of the employer, name of the employee, total hours worked, overtime hours, straight-time compensation, overtime compensation, other compensation, total gross compensation, amount and purpose of each deduction, total net compensation, date of payment, and pay period covered;
9. Upon receipt of written authorization from the employee, the employer may provide a pay statement that may be electronically accessed by the employee and shall be retained by the employer for a period of at least six years; and
10. The employer makes arrangements to pay wages in full, with a pay statement, to an employee who is discharged, with or without cause, at the time of discharge or no later than the working day following discharge.

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ELECTRONIC PAY STATEMENTS:

The Hawaii DLIR recognizes electronic pay statements to be in compliance with the requirements of Chapters 387 and 388, HRS, if the following conditions are met:

1. The practice is voluntary on the employee's part;
2. The employee is permitted to cancel the arrangements at any time;
3. The employer obtains the employee's written authorization to receive their pay statement electronically;
4. The employee is given specific written instructions for retrieval of their pay statements and must have access to equipment to print the pay statements; and
5. The employer shall retain all electronic pay statements for a period of at least six years.

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